

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



**FISCAL NOTE**

**HB 1116 - SB 1184**

March 30, 2023

**SUMMARY OF BILL:** Requires payment of a \$2,500 fee for the transfer of a real property located within a community governed by a nonprofit association, upon majority vote of its board of directors to impose the fee. Authorizes a nonprofit association to attach a lien to a property if the fee is not paid and to seek enforcement of its lien by judicial foreclosure if the fee is not remitted within 90 days following the transfer. Requires a nonprofit association to record notice of the fee with the county register of deeds.

Effective January 1, 2024.

**FISCAL IMPACT:**

**NOT SIGNIFICANT**

Assumptions:

- The proposed legislation concerns transactions between private parties; any fiscal impact to state or local government is estimated to be not significant.
- It is not expected that there would be a significant increase to the number of judicial foreclosures in the state; any fiscal impact to the courts can be absorbed within existing resources and is estimated to be not significant.
- Requiring a nonprofit association to record certain notice with the county register of deeds will not have any significant fiscal impact on local government.

**IMPACT TO COMMERCE:**

**NOT SIGNIFICANT**

Assumptions:

- The proposed legislation requires a business entity that conducts the closing for a transfer of property to collect the fee and remit it to the nonprofit association; this provision will not result in any fiscal impact to such a business.
- There would be an increase to nonprofit revenue of \$2,500 for any transfer of real property.

**HB 1116 - SB 1184**

- The nonprofit association would be required to use the funds to benefit the nonprofit association's roads, utility infrastructure, or common area facilities. Therefore, it is estimated that the net impact of any fee revenue would be not significant.
- The proposed legislation is not expected to have any impact on jobs in the state.

**CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Krista Lee Carsner". The signature is written in a cursive, flowing style.

Krista Lee Carsner, Executive Director

/mp